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HB 124 Debt Collection Amendments

Utah Code 63A-8-101, 63A-8-201, 63A-8-301, 76-3-201.1, 78-7-33 **Effective Date May 6, 2002**

This bill modifies the Administrative Services and the Judicial Codes and makes changes to provisions related to the Office of State Debt Collection. It defines the parameters in which the office may use information obtained through access to private, controlled, or protected records. It describes the collection duties of the Accounts Receivables section of the Office of State Debt Collection.

The office may share records with private sector vendors under contract with the state to assist state agencies in collecting debts owed to the state agencies without changing the classification of any private, controlled, or protected record into a public record.

The office shall ensure that a record obtained by the office or a private sector vendor is used only for the limited purpose of collecting accounts receivable and is subject to federal, state, and local agency records restrictions. Any person employed by, or formerly employed by the office or a private sector vendor is subject to the same duty of confidentiality with respect to the record imposed by law on officers and employees of the state agency from which the record was obtained. They are also subject to any civil or criminal penalties imposed by law for violations of lawful access to a private, controlled, or protected record.

"Accounts receivable" or "receivables" means any amount due the state from an entity for which payment has not been received by the state agency that is servicing the debt. It includes:

1. Unpaid fees;
2. Licenses;
3. Taxes;
4. Loans;
5. Overpayments;
6. Fines;
7. Forfeitures;
8. Surcharges;
9. Costs;
10. Contracts;
11. Interest;
12. Penalties;
13. Restitution to victims;
14. Third-party claims;
15. Sale of goods;
16. Sale of services;
17. Claims and damages.

* The Tax Commission is exempt from the provisions of this bill. See 63A-8-101(7)(b).

"Administrative offset" means a reduction of an individual's or entity's tax refund or other payments due to the individual or entity to reduce or eliminate accounts receivable that the individual or entity owes to the state.

"Entity" means an individual, a corporation, partnership, or other organization that pays taxes to or does business with the state.

"Writing-off" means the removal of an accounts receivable from an agency's accounts receivable records but does not necessarily eliminate further collection efforts.

HB 127 County Ballot Questions

Utah Code 20A-1-205, 63-55b-120 **Effective Date May 6, 2002**

This bill modifies the Election Code by authorizing counties to submit a ballot question to the voters at the 2002 regular general election that asks whether or not voters would support increasing property taxes or sales taxes in order to preserve agricultural land.

HB 138 Rights of Creditors Against Trust Property

Utah Code 75-7-308, 75-7-309, 75-7-310, 75-7-311, 75-7-312, 75-7-313, 75-7-314, 75-7-315, 75-7-316, 75-7-317, 75-7-318, 75-7-319; **Effective Date May 6, 2002**

This bill provides that a trustee for an inter vivos revocable trust may publish a notice to creditors once a week for three (3) successive weeks in a newspaper of general circulation in the county where the settlor resided at the time of death. The creditors may be limited to three (3) months for the presentation of claims against the grantor's estate after his death and after the date of the first publication of the notice or be forever barred. It provides guidelines for the notice and presentation of claims.

All claims against a deceased settlor which arose before his death, if not barred earlier, are barred against the deceased settlor's trust, unless presented earlier than one (1) year after death or the time provided for creditors who are given actual notice for all claims barred by publication.

If the applicable assets of the deceased settlor's estate are insufficient to pay all claims in full, the trustee shall make payment in the following order:

1. Reasonable funeral expenses;
2. Costs and expenses of administration;
3. Debts and taxes with preference under federal law;
4. Reasonable and necessary medical and hospital expenses of the last illness of the deceased settlor; and
5. All other claims.

HB 145 Utah Energy Office Amendments

Utah Code 9-1-201, 9-1-702, 9-1-703, 9-1-706, 59-7-605, 59-10-127, 63-34-5, 63-34-101, 63-34-201, 63-34-202, 63-34-203, 63-34-204, ([Click here to view Title 63 Chapter 34](#)) **Effective Date May 6, 2002**

This act modifies the Natural Resources Code to create the Utah Energy Office within the

Department of Natural Resources. It moves certain energy-related programs, including the Clean Fuels Vehicle program fund, from the Department of Community and Economic Development to the Department of Natural Resources to be administered by the Utah Energy Office.

The Utah Energy Office shall:

1. Administer federally funded state programs regarding renewable energy, energy efficiency, and energy conservation;
2. Coordinate and facilitate the development and implementation of programs relating to procurement, consumption, conservation, and efficient use of energy in state buildings;
3. If requested by the governor, prepare a state energy emergency plan; and
4. Participate in regulatory proceedings as appropriate to promote the development, conservation, and efficient use of energy.

HB 238 Cigarette and Tobacco Amendments

Utah Code 59-14-204 **Effective Date May 6, 2002**

Also see [Tax Bulletin 3-02](#)

This bill increases the tax rate on cigarettes from 2.575 per cigarette to 3.475 per cigarette for lighter cigarettes and from 3.175 per cigarette to 4.075 per cigarette for heavier cigarettes. It also provides for distribution of the increased tax.

HB 352 Revisions to General Government - Tobacco Amendments

Utah Code 59-1-403, 59-14-211, 59-14-213, 59-14-407, 59-14-408 **Effective Date May 6, 2002**

Also see [Tax Bulletin 3-02](#)

This bill requires the Tax Commission to publish a list of all cigarette manufacturers selling product in the state (along with the brands they are selling in the state) that are either participating in the Master Settlement Agreement or are nonparticipating manufacturers and in compliance with escrow requirements. It prohibits placing a stamp on cigarettes if the manufacturer is not on the list.

This act amends confidentiality requirements, penalties for dealing with prohibited cigarettes, and the definition of contraband goods.

Upon request from a tobacco product manufacturer, the Commission shall report to the manufacturer the quantity of cigarettes produced by the manufacturer and reported to the Commission for the previous calendar year. Also upon request, the Commission shall report the quantity of cigarettes produced for which a tax refund was granted during the previous calendar year, and reported to the Commission.

The Commission may require each tobacco manufacturer to appoint a registered agent for service of process in the state and identify the registered agent to the Commission. A tobacco product manufacturer who falsely represents to any person any information or who fails to appoint the registered agent, is guilty of a class B misdemeanor for each violation or false representation.

Reports and returns shall be preserved for at least three (3) years. After the three-year period, the Commission may destroy a report or return. Any person who violates this is guilty of a class A misdemeanor.

If a person knowingly sells, distributes, acquires, holds, owns, possesses, transports, imports, or causes to be imported, cigarettes intended for distribution or sale in the state, they are guilty of a class B misdemeanor.

If a person alters the package of any cigarettes prior to their sale or distribution to the ultimate consumer to remove, conceal, or obscure a notice, warning label, or other package information, or affixes a stamp used to pay the tax imposed to a package or container of cigarettes, is also guilty of a class B misdemeanor.

Under these circumstances, the Commission may suspend or revoke an issued license. The

Commission may also impose a civil penalty in an amount not to exceed the greater of 500% of the retail value of the cigarettes or \$5000.

SB 7 Cigarette Tax Stamp and Contraband Amendments

Utah Code 59-1-403, 59-14-210, 59-14-213, 59-14-407 **Effective Date May 6, 2002**

Also see [Tax Bulletin 3-02](#)

This bill requires the Tax Commission to notify manufacturers, distributors, wholesalers, and retailers when a manufacturer is prohibited from selling cigarettes to consumers under the terms of the Master Settlement Agreement. It states that a licensed person may not sell cigarettes from a manufacturer who is prohibited from selling product in the state. It allows the Tax Commission to seize stamped cigarettes sold by an unlicensed retailer and provides that all seized cigarettes shall be destroyed. Reports of sales of nonparticipating manufacturer's product are changing from an annual filing to a quarterly filing. The act also imposes penalties for failure to file reports or for supplying false or fraudulent information.

Any cigarettes in violation of any state or federal law are contraband goods and may be seized without a warrant by the commission, its employees, or any peace officer of the state.

SB 29 Interlocal Cooperation Act and Electric Power Facilities Amendments

Utah Code 9-4-305, 9-4-306, 11-13-9, 11-13-12, 11-13-204, 13-13-301, 54-9-101, 11-13-101, 11-13-102, 11-13-103, 11-13-201, 11-13-202, 11-13-203, 11-13-205, 11-13-206, 11-13-207, 11-13-208, 11-13-209, 11-13-210, 11-13-211, 11-13-212, 11-13-213, 11-13-214, 11-13-215, 11-13-216, 11-13-217, 11-13-218, 11-13-219, 11-13-220, 11-13-221, 11-13-222, 11-13-223, 11-13-302, 11-13-303, 11-13-304, 11-13-305, 11-13-306, 11-13-307, 11-13-308, 11-13-309, 11-13-310, 11-13-311, 11-13-312, 11-13-313, 54-4-25, 54-9-1, 54-9-102, 54-9-103, 54-9-104, 54-9-105, 54-9-106, 54-9-107, 59-2-1101, 59-4-101, 59-7-102, 59-8-103, 59-8-104, 59-12-104, 63-2-304 **Effective Date May 6, 2002**

This act modifies the Interlocal Cooperation Act and Public Utilities provisions. It authorizes the creation of new political subdivisions of the state by Utah public agencies and out-of-state public agencies to participate in the undertaking and financing of electric generation facilities adjacent to an existing generation and transmission project or to conduct other activities relating to the generation, transmission, management, and distribution of electricity. The act authorizes an existing Utah interlocal entity to reorganize with out-of-state public agencies as an electric interlocal

entity. It provides for the powers and duties of new interlocal entities, modifies powers for existing interlocal entities, and provides for additional powers for certain interlocal entities. The act modifies provisions relating to the length of time that an interlocal entity may remain in existence and modifies provisions required to be included in an agreement creating an interlocal entity. The act modifies provisions relating to the sales and use tax obligation of project entities and repeals provisions requiring approval of agreements by an attorney. It modifies provisions relating to generation output from a generation and transmission project and requires a majority of generation output from facilities providing additional project capacity to be made available to and acquired by purchasers in the state. It enacts provisions relating to impact alleviation, gross receipts tax, fee in lieu of property tax, sales and use tax, privilege tax, and other matters with respect to facilities providing additional project capacity. The act modifies provisions relating to agreements between state and federal agencies and eliminates a requirement that applies if an interlocal cooperation entity constructs or acquires facilities to provide services that exceed those needed to meet the requirements of the participating public agencies. The act modifies a provision defining projects that are subject to a requirement to obtain a certificate of public convenience and necessity from the Public Service Commission. It modifies provisions relating to thermal power facilities and makes them apply instead to electric power facilities. The act expands application of those provisions to include interlocal entities and modifies provisions relating to the requirements for agreements for common facilities, the financing of common facilities, and the liability of public power entities and power utilities. It repeals legislative purpose language and clarifies the taxes, fees, and exemptions relating to public agencies under certain circumstances. The act modifies definitions, adds new definitions, and makes conforming and technical changes.

Definitions

"Additional project capacity" means electric generating capacity that is provided by a generating unit that first produces electricity on or after May 6, 2002. It is constructed or installed at or adjacent to the site of a project that first produced the electricity before May 6, 2002, regardless of whether the owners of the new generating unit or the purchasers of the electricity are the same as or different from the owner of the project or from the purchasers of electricity from the project.

"Electric interlocal entity" means a Utah public agency and one or more public agencies that may by agreement create an entity to accomplish the purpose of their joint or cooperative action if that purpose is to participate in the undertaking or financing of facilities to provide additional project capacity, common facilities, or electric generation or transmission facilities.

"Energy services interlocal entity" means two or more Utah public agencies that may by agreement

with one another or with one or more public agencies create an energy services interlocal entity to accomplish the purposes of their joint and cooperative action with respect to facilities, services, and improvements necessary or desirable with respect to the acquisition, generation, transmission, management, and distribution of electric energy for the use and benefit of the public agencies that enter into the agreement.

"Out-of-state public agency" means any agency of the United States, the District of Columbia, any Indian tribe, band, nation, or other organized group or community which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

"Power utility" means a public agency, or other person engaged in generating, transmitting, distributing, or marketing electric power and energy. It does not include a public power entity.

"Public power entity" means a city or town that owns a system for the generation, transmission, or distribution of electric power and energy for public or private use, and interlocal entity.

SB 48 Public Agency Insurance Mutual Amendments

Utah Code 31A-1-103, 31A-1-301, 31A-2-214, 31A-5-202, 31A-5-214, 31A-5-215 , 31A-7-201, 31A-12-107, 31A-20-108, 31A-22-502, 31A-25-205, 34A-2-201.5, 34A-2-202, 34A-2-704, 59-9-101, 59-9-101.3, 59-9-103 **Effective Date July 1, 2002**

Also see [Tax Bulletin 6-02](#)

This bill exempts public agency insurance mutuals from Title 31A. It removes public agency insurance mutuals from insurance premium tax and subjects those entities to tax as self-insured employers - the effect of this is to increase the tax these entities pay by .25%

SB 200 Statutory Revisions for State Funding Adjustments

Utah Code 59-12-103, 78-7-35, 78-31b-9 **Effective Date July 1, 2002**

This bill increases certain court fees and amends the Sales and Use Tax Act to modify for fiscal

years 2001-02 and 2002-03 the funds into which certain state sales and use tax revenues are deposited.

Civil Fees of the Courts of Record

1. The fee for filing an abstract or transcript of judgment, order, or decree of the Utah State Tax Commission is \$30.
2. The fee for filing an abstract or transcript of judgment of a court of law of this state or judgment, order, or decree of an administrative agency, commission, board, council, or hearing officer of this state or of its political subdivisions other than the Utah State Tax Commission, is \$40.
3. The fee for a writ of replevin (an action to recover personal property said or claimed to be unlawfully taken), attachment, execution, or Garnishment is \$35 in addition to any fee for a complaint or petition.